

CITY OF LANSING

HUMAN RELATIONS AND COMMUNITY SERVICES DEPARTMENT

CALCULATION OF LIVING WAGE 2005

The following calculations are based on the 2005 U.S. Department of Health and Human Services poverty guidelines. It should be noted that these figures are different than "poverty thresholds" which are issued by the Census Bureau. The "2005 Poverty Guidelines" for a family of four (4) is **\$19,350**.

The Mayor's Executive Order specifies the following:

Section C

(6) "Federal Poverty Guideline" means the official poverty guideline for a family of four (4) published and updated annually in the federal register by the U.S. Department of Health and Human Services under authority of 42 USC 9902(2).

(11) "Living wage" means an hourly wage rate that on an annual basis when calculated (based on forty hours per week, fifty weeks per year), is equal to, the Federal Poverty Guideline.

(12) "Living wage rate" means an hourly wage rate including employer paid health benefits to be calculated and paid to an employee of a contractor or a grantee as required and provided in this section.

Section D

(1) At a minimum, a contractor or grantee shall provide its employees a living wage rate that is equivalent to 125% of the Federal Poverty Guidelines

The 2005 HHS Poverty Guidelines level for a family of four (4) is

\$19,350.00

One hundred twenty-five percent (125%) of this figure is

\$24,187.50

A forty hour week for fifty weeks a year (see Section 206.24 C (11)) is equivalent to 2,000 hours per year. Using 2,000 hours as the work year an hourly figure is derived by dividing the annual figure by 2,000 hours. The resulting hourly figure is

\$12.09/hour